

## **EXHIBIT 16**

**From:** Bevan Cooney <btcooney@gmail.com>  
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**To:** Eric Fulton <eric@fultonmeyer.com>  
BFG EXECUTIVE SUMMARY DECEMBER 2013 revised 1.pdf

Burnham deck

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Sent from my iPhone



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## PROJECT QUOGUE

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### EXECUTIVE SUMMARY

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December 2013



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SEC-FM-E-0002848



## EXECUTIVE SUMMARY

### BUSINESS OVERVIEW:

Today's Burnham business is conducted through two subsidiaries - Burnham Asset Management and Burnham Securities - with its long-standing institutional clearing relationship with JP Morgan (historical note: JP Morgan and Drexel & Co co-owned Drexel Morgan & Co from 1863-1940). Burnham Asset Management is a SEC-registered investment advisor and is the manager to the Burnham Investors Trust, a publicly traded mutual fund family founded in 1961 with 4 and 5-star ratings from Morningstar. Burnham Asset Management also manages HNWI assets on a discretionary basis. The firm employs 60 and has over \$1.51 billion in total client assets. Our Burnham Securities division is a full service investment bank providing investment banking, research and brokerage. Jon Burnham is the Chairman and CEO of Burnham, and is advised by Mark Kaplan of Skadden Arps, formerly CEO of Drexel Burnham Lambert for seven years.

### CONTROL OPTION:

In late 2012 mutual colleagues introduced Devon Archer to Burnham to explore alternatives for the succession plan of Jon Burnham, now 78, who has managed the business since his father's death in 2002. During that period the business was maintained with little emphasis on growth. In March 2013, through their holding company - COR Fund Advisors (now Burnham Equity Partners) - Devon Archer and his colleagues acquired a 12-month Option to purchase 100% of Burnham and in connection provided working capital loans to expand the business, as well as seated four new board members (holding 4 of 5).

Under the new board's leadership, the business is ahead of plan, achieving a year over year growth rate over 85%, including a successful investment banking expansion to Asia with two Chinese banking transactions closed in July and August. Proforma 2014 growth is over 100% excluding acquisitions (see actual and forecast financial results). Based on the performance of the business since joining the board, the COR board has voted to exercise the Option to acquire 100% of Burnham.

### HISTORY:

Burnham & Co. was founded in 1935 by Wall Street legend IW "Tubby" Burnham, rising to global investment banking prominence subsequent to its acquisition of Drexel in 1974 and a division of Groupe Bruxelles Lambert in 1976 that were combined to form Drexel Burnham Lambert, majority owned by Burnham & Co shareholders. Drexel Burnham went on to innovate high yield finance markets and to dominate the global league tables while financing some of the now most iconic global companies in the world.

The 2002 The New York Times obituary headline referred to Tubby Burnham as the Baron of Wall Street and said, "along the way, he acquired dozens of friends, many of whom would become household names themselves. In 1959, for instance, Mr. Burnham's firm hired a young Sanford I. Weill, now the chairman and chief executive of Citigroup, as a stockbroker." Today Burnham has alumni in

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many of the most important US institutions, including:

- Apollo Management founder, Leon Black
- Jefferies & Company CEO, Richard B. Handler
- Kohlberg Kravis Roberts & Co., Senior Partner, Todd Fisher
- The Blackstone Group/GSO co-founders, Bennett Goodman and Tripp Smith
- UBS former President and Head of Investment Banking and founder of Moelis, Ken Moelis
- U.S. Securities and Exchange Commission former Chairman, Roderick M. Hills

Abby Joseph Cohen, the famed Morgan Stanley and Goldman Sachs market strategist, spent the 1980's as a research analyst at Drexel Burnham Lambert said, "for me, he represented what this industry could be all about: integrity, focusing on the client and having investment professionals do their best possible work."

Today's Burnham is currently a modest firm spun out of Drexel Burnham Lambert in 1989 a year before the firm was wound-up in response to the Michael Milken legal affair.

**PRODUCTS:** Mutual Funds/Managed Accounts/Brokerage/Investment Banking/Research

**ECONOMIC MODEL:** Asset Management - BAM offers discretionary and non-discretionary accounts to individuals and institutions. Accounts are individually managed. Clients typically give BAM complete and sole investment discretion and authority to manage their account to the fullest extent permitted by law. BAM offers a separately managed account program, or wrap fee program, that includes the costs of brokerage commissions and certain other fees, including the account advisory fee, all of which is paid to BAM. The standard fee for equity accounts is 1.25% annually. In the case of clients who do not wish to participate in the Adviser's wrap fee program, fees are generally within a range of 0.5% to 2.00% per annum of the assets under management, based on a number of factors.

BAM serves as an investment adviser to Burnham Investors Trust, a family of registered mutual funds (the "Funds"). BAM charges each Fund an advisory fee, payable monthly at the following annual rates: Burnham Fund 0.60%, Burnham Financial Services Fund 0.75% and Burnham Financial Industries Fund 0.90% (base fee), as a percentage of the Fund's average daily net asset value.

For administrative services, BAM receives an administrative fee, under a separate contract, payable monthly from each Fund at the following rates: 0.15% on the first \$150,000,000, 0.125% on the next \$150,000,000 and 0.10% on the amount over \$300,000,000.

Investment Banking - Our investment banking professionals are focused on providing strategic advisory and capital raising services to U.S. and international public and private companies in the healthcare, technology, media and telecommunications, consumer, industrials, REITs and clean technology sectors. Our advisory and capital raising capabilities begin at the early stages of a private company's accelerated growth phase and continue through its evolution as a public company. Our advisory business focuses on mergers and acquisitions, including providing fairness opinions and providing advice on other strategic transactions. Our capital markets capabilities include equity, including private

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investments in public equity and registered direct offerings, credit and fixed income, including public and private debt placements, exchange offers, consent solicitations and tender offers, as well as origination and distribution capabilities for convertible securities. Historically, a significant majority of Burnham's investment banking revenue has been earned from high-growth small and mid-capitalization companies.

**Brokerage** - Our team of brokerage professionals serves institutional investor clients in the United States and internationally. Burnham trades common stocks, listed options and equity-linked securities on behalf of its clients. Our brokerage team is comprised of experienced professionals dedicated to Burnham's target sectors, which allows us to develop a level of knowledge and focus that we believe differentiates our brokerage capabilities from those of many of our competitors. We tailor our account coverage to the unique needs of our clients. We believe that our sector traders are able to provide superior execution because of their knowledge of the interests of our institutional investor clients in specific companies in Burnham's target sectors.

Our sales professionals also provide our institutional investor clients with access to the management of our investment banking clients outside the context of financing transactions. We believe Burnham's deep relationships with company management teams and its sector-focused approach provide us with broad access to management for the benefit of our institutional investor and investment banking clients.

#### *Research*

#### **GROWTH PLAN:**

We have a 5-point business plan to achieve growth. The plan is demonstrating results in 2013. Our 5-point plan is:

- Point 1: Leverage our 52 year old public mutual fund platform and SEC registration to issue more series of funds, including alternative asset mutual funds, and leverage our public fund expertise to launch an Exchange Trade Fund series;
- Point 2: Expand fund distribution channels with Wealth Assurance AG, a European life insurance company serving high net worth investors, as a strategic asset allocation partner;
- Point 3: Recruit independent registered investment advisors (RIAs) with existing client books to the Burnham platform leveraging brand and JP Morgan clearing;
- Point 4: Continue to orientate investment banking and advisory toward Asia (like China Commercial Credit engagement);
- Point 5: Acquire strategic businesses – especially in wealth management that provide scale and distribution synergy.

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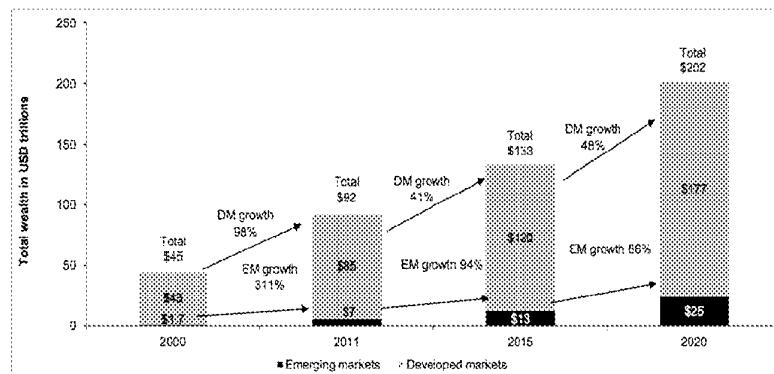
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## ADDRESSABLE MARKET:

Scale of the Global Opportunity Wealth management is one of the most promising segments of the global financial services sector due to the emerging markets in Asia and Latin America. Deloitte forecasts that total wealth among millionaire households will increase from \$92 trillion in 2011 to \$202 trillion by 2020, a growth of 119%. In emerging markets, the growth over the next decade is potentially quite impressive (260%), significantly outpacing the growth (107%) in developed markets.



However, downside risks have intensified due to financial crises, volatility in capital markets, the movement of capital to relatively safe assets and regions, and increased regulatory pressures and norms. Competitors specialize in various business models in order to cater to the diverse needs of high net worth individual (HNWI) clients.

Basic wealth management business models are based around banks or other custodial institutions; broker-dealers and stockbrokers; and investment managers and family offices. These models are not mutually exclusive. One by-product of financial integration means that wealth management firms with a banking background, often have both broking and investment management arms. Similarly, many broking firms have diversified into investment management and other activities to generate more reliable and higher-quality revenue streams. This is the case at Burnham.

The wealth management segment emerged as significant to the financial sector in the late 1980s. Due to an increase in demand, the segment was equipped with a network of investment advisers. Global wealth management growth declined dramatically during 2009–2012 due to the US economic crisis, combined with the Eurozone debt crisis in 2011, resulted in high market volatility and minimal growth that swept away investor assets and deterred them from investing in stocks and bonds.

The wealth management segment in emerging economies has recorded a greater level of market penetration. The growth and development of the wealth management segment was led by the advent of advanced technology and cost of infrastructure. These market drivers result in conducting decisions in respect with growth and development of the industry enabling UHNWIs to invest appropriately.

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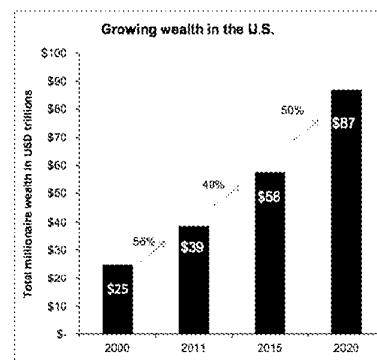


The Asia-Pacific's HNWIs population recorded significant growth during 2008–2012 at a CAGR of 11.27%, increasing from 2.4 million people in 2008 to 3.7 million people in 2012. The Latin American region recorded an impressive CAGR of 9.82% during the same period. The HNWI wealth of this region increased from US\$19.7 trillion in 2008 to US\$28.7 trillion in 2012. Over the forecast period, the value of HNWI wealth in this region is forecast to increase from US\$30.1 trillion in 2013 to US\$35.1 trillion in 2017.

Global wealth management has entered a new chapter in its evolution. As wealth managers recalibrate their strategies in the post-crisis environment, it is critical that they have a strong understanding of which economies present the greatest opportunities for business growth. There are, obviously, many factors at play that no wealth manager can ignore, including secular trends such as the rise of emerging markets, changing demographics, and evolving preferences for various asset classes.

The rebalancing of global wealth is expected to accelerate over the next decade. Emerging market (EM) economies are likely to prove to be more dynamic in terms of growth rates, creating significant opportunities for wealth managers seeking to gain a share of these potentially lucrative markets. Among emerging markets, China may continue to be the driving force in the growth of millionaire wealth, followed by Brazil and Russia.

However, there is a paradox at the heart of this story. According to Deloitte, in spite of the rapid growth of wealth in the EM economies, U.S. and Europe will remain the global centers of wealth over the next decade, in terms of both the amount of wealth held and the number of millionaire households. Our analysis indicates that aggregate wealth of millionaire households in the U.S. in 2020 will likely reach \$87 trillion, from \$39 trillion in 2011. Burnham has its foundation in the United States.



#### INTELLECTUAL PROPERTY:

The Company regards its copyrights, service marks, trademarks, trade dress, trade secrets and similar intellectual property as critical to its success, and relies on trademark and copyright law, trade secret protection and confidentiality and/or license agreements with its employees, clients, partners and others to protect its proprietary rights. In addition to its United States common law rights in its trademarks and service marks, the Company pursues the registration of its trademarks and service marks in the United States Patent and Trademark Office and has applied for the registration of certain of its trademarks and service marks.

#### COMPETITION:

We compete with many other firms in all aspects of our business, including raising funds, seeking investment opportunities and hiring and retaining professionals, and we expect our business will continue to be highly competitive. The alternative investment management and investment banking industries are currently undergoing contraction and consolidation, reducing the number of

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industry participants and generally resulting in the larger firms being better positioned to retain and gain market share. We compete in the United States and globally for investment opportunities, investor capital, client relationships, reputation and talent. We face competitors that are larger than we are and have greater financial, technical and marketing resources. Certain of these competitors continue to raise additional amounts of capital to pursue investment strategies that may be similar to ours. Some of these competitors may also have access to liquidity sources that are not available to us, which may pose challenges for us with respect to investment opportunities. In addition, some of these competitors may have higher risk tolerances or make different risk assessments than we do, allowing them to consider a wider variety of investments and establish broader networks of business relationships. Our competitive position depends on our reputation, our investment performance and processes, the breadth of our business platform and our ability to continue to attract and retain qualified employees while managing compensation and other costs.

**MANAGEMENT  
AND DIRECTORS:**

**DEVON ARCHER.** Managing Partner and Director. Co-founder of Rosemont Group, a \$2.4 billion private equity firm co-owned by Hunter Biden and Chris Heinz. Founding shareholder of COR Fund Advisors, the lead investor in Burnham Financial Group. Currently serves as a director of Burnham Financial Group, Burnham Asset Management and Burnham Securities. Mr. Archer started his career at Citibank's foreign direct investment group, Citicorp Asia Ltd., before serving at New England Financial and subsequently MetLife where he worked as a special analyst to the Strategic Management Group of both groups' Executive Committees, and was closely involved in MetLife's historic IPO and demutualization in 2000. Mr. Archer served as an advisor to John Kerry during his 2004 Presidential Campaign and co-chaired the National Finance Committee. Along with Rosemont Realty, Mr. Archer serves on the Board of Viet Thai Joint Stock Company, Cataphora Inc. and the Howard J. Heinz Trust. Mr. Archer earned his Bachelor of Arts in History from Yale University.

**JON M. BURNHAM** is Chairman and Chief Executive Officer of Burnham Asset Management Corporation and Burnham Securities Inc. He is Chairman and CEO of Burnham Investors Trust, and Portfolio Manager of the Burnham Fund, a series of the Trust. His career in the securities industry has spanned over 40 years. Prior to his current position, Mr. Burnham was Senior Vice President and Assistant to Frank Zarb, then Chairman and Chief Executive Officer of Smith Barney, Harris Upham & Co., Inc., and Senior Executive Vice President in charge of National Retail Sales of Drexel Burnham Lambert Incorporated. Mr. Burnham has been a member of the Securities Industry Association's Government Relations Committee and the New York Stock Exchange Allocation Committee. He serves as a Trustee on the PENN Medicine Board of Trustees. He is a Trustee of Blythedale Children's Hospital in Valhalla, New York. He is also on the Boards of Trustees of the Jewish Institute for National Security Affairs (JINSA) and the American Skin Association. Mr. Burnham is a graduate of the Choate School in Wallingford, Connecticut. He received a B.S. in Economics from the Wharton School of Finance and Commerce of the University of Pennsylvania in 1959.

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PETER NATHANIAL is Vice Chairman of Burnham and oversees its investment banking business since 2013. Since late 2009 he has been a partner of Impala Partners, a boutique merchant banking firm. Prior to 2009, he was Group Chief Risk Officer and Member of the Executive Committee for The Royal Bank of Scotland Group from 2007 to 2009, overseeing a global balance sheet of over \$3 trillion. In this role, Mr. Nathaniel formed RBS' Global Restructuring Group and its Strategic Assets Unit (the "bad bank"). Before moving to RBS, he spent 16 years at Citigroup, holding a variety of senior business management roles around the world including New York, Zurich, London, Moscow, and Poland. Mr. Nathaniel served as Managing Director and Head of Global Risk Oversight and Investments, where he had oversight of Citigroup's Asset Management, Insurance, Alternative Investments Businesses, Employee Pension Plans, Country Risk, and Citigroup's proprietary M&A activities.

JASON SUGARMAN. Principal and Director. 20 years in the finance business with focus on asset back lending and private mortgage investing. The founder of two asset management firms and the lead outside investor in numerous financial service companies and real estate projects Directly originated over \$1 Billion in direct loan and equity placements. Currently serves as an officer of Camiden Capital, MKA Capital Advisors and a director at Burnham Financial Group, New Olympia Re, International Tower Co and CS Financial and advisor to and investor in First Pacific Trust Bank and COR Securities Holdings. Graduate and Scholar Athlete (baseball) at Stanford University BA economics.

RORY KNIGHT. Director. Executive Chairman Elect, COR Capital International. Rory serves on the 3-person Investment Committee of the \$6.2 billion Sir John Templeton Foundation. Formerly Dean of Templeton College, Oxford (now part of the Said Business School, Oxford). He is a Managing Partner of Oxford Templeton Asset Management. He was a former Deputy Director at the Swiss National Bank (SNB) stationed in Geneva. He is Chairman of strategic advisory firm, Oxford Metrica, Oxford, UK.

HUGH DUNKERLEY. Managing Director, Burnham Securities. Director of COR Securities Holdings, parent of COR Clearing. Previously, he was Manager of Capital Markets at the FDIC and active in implementing the Dodd-Frank Wall Street Reform, along with the oversight of securities and QFCs (derivatives) with responsibility over the monitoring of counterparty risk. Born in Hong Kong, educated in the UK, Mr. Dunkerley is a graduate of London's Westminster University and MBA South Bank University (MBA), London, and holds Series 7, 24 and 66 licenses from FINRA.

#### TRACK RECORD:

Rosemont has a track record in alternative asset classes, with an emphasis on private equity and real estate. The firm acquired an established commercial real estate investment business and has grown that business to in excess of \$2.4 billion in assets.

Rosemont is an equity partner and Investment Committee member of BOHAI HARVEST RST (SHEN ZHEN) EQUITY INVESTMENT FUND MANAGEMENT CO., LTD., a joint venture of BOHAI Capital, Rosemont and Ample Harvest. BOHAI investors include BOC International Holdings Limited, Teda Investment Holding Co., Ltd., China's National Council for Social Security Fund, Bank of China Group Investment Limited, Postal Savings Bank of China Co., Ltd., Tianjin Jinneng

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Investment Company, China Development Bank Capital Corporation Ltd., China Life Insurance (Group) Company, China Life Insurance Company Limited, and Tianjin Urban Infrastructure Construction & Investment (Group) Co., Ltd.

Devon Archer is a principal investor and director of Wealth-Assurance AG, a \$1.5 billion life insurance company exclusively focused on the high net worth wealth management business.

COR Capital is an institutional private equity investor focused on investments in the financial services sector, including several regulated businesses. COR Capital and Jason Sugarman have a track record in financial services. COR was also the lead private equity sponsor, together with affiliates of TCW (a \$138 billion Los Angeles-based unit of The Carlyle Group), in the December 2010 change of control investment of Banc of California (NASDAQ: BANC), at that time a 72-year-old mono-line retail bank with 20 branches.

Over the past two years, the bank holding company has raised from the capital markets over \$250 million in additional equity capital and \$70 million in unsecured notes, with assets increasing assets from \$800 million to \$3.2 billion.

COR lead the December 2011 acquisition of Legent Clearing, a FINRA member firm based in Omaha, Nebraska founded by Mutual of Omaha Insurance that provides securities clearing, transaction processing, and other services to correspondent FINRA member firms, including more than 30 broker/dealers with approximately 5,000 registered representatives with assets under custody of approximately \$5.0 billion across over 500,000 client accounts. The firm had seven consecutive loss making years prior to the acquisition, and has been profitable since the acquisition. The firm has successfully recruit well known securities industry professionals that include the former Chairman of Pershing, the former head of Bear Stearns clearing, and the former Chairman and CEO of First Data Corp, the largest transaction processing company in the world.

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